

Message Text

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TAGS: EAIR, EIND, BEXP, VE

SUBJ: AIRCRAFT INDUSTRY PROJECTS FOR VENEZUELA

REF: A STATE 209357; B CARACAS 9818

1. EMBOFF HAS DISCUSSED VENEZUELA'S PLANS FOR AN AERONAUTICAL INDUSTRY WITH A MEMBER OF THE COMMITTEE APPOINTED BY PRESIDENT PEREZ FOR THE STUDY OF SUCH PLANS AND HAS OBTAINED SOME ADDITIONAL INFO TO THAT CONTAINED INF REF B).

2. THE ISRAELI ADVISORY GROUP HAS PRESENTED A PLAN ACCORDING TO WHICH VENEZUELA WOULD COMMENCE WITH AN AIRCRAFT OVERHAUL FACILITY. THE NEXT STEP WOULD BE THE GRADUAL DEVELOPMENT OF A PARTS INDUSTRY SUPPLYING ITEMS USED IN THE OVERHAUL AND REFURBISHING OF AIRCRAFT. AFTER GAINING EXPERIENCE, AN ASSEMBLY INDUSTRY WOULD BE PROMOTED AND SUPPORTED AND PARTS AND COMPONENTS MANUFACTURE FURTHER DEVELOPED.

3. THE GOV COMMITTEE HAS DETERMINED, HOWEVER, THAT THE GREATEST BOTTLENECK WOULD BE MANPOWER AND HAS UNDERTAKEN AS A FIRST STEP A CENSUS OF AVAILABLE MECHANICS AND ENGINEERS. IT HAS ESTIMATED THAT 1,500 PERSONS WOULD BE REQUIRED FOR AN OVERHAUL PLANT INCLUDING THE INDISPENSABLE MECHANICS FOR ON-LINE MAINTENANCE AT AIRPORTS. ITS
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CENSUS REVEALED THAT AT PRESENT THERE ARE ABOUT 150

EXPERIENCED AND LICENSED AVIATION MECHANICS IN THE COUNTRY. THESE ARE FULLY OCCUPIED BY AIRLINES, GENERAL AVIATION MAINTENANCE SHOPS, AND DEALERS. THUS, THE TRAINING OF MECHANICS AND ENGINEERS IS THE FIRST PRIORITY.

4. THE COMMITTEE HAS APPARENTLY ACCEPTED THE SEQUENCE OF DEVELOPMENT SUGGESTED BY THE ISRAELI GROUP. HOWEVER, THE CONTACT STATED THAT IT WOULD NOT BE ADVERSE TO STUDY ANY PROJECT WHICH MIGHT JUMP ANY OF THE STEPS, PROVIDED THE INTERESTED PARTY WOULD TAKE THE RISK AND WOULD UNDERTAKE TRAINING OF ITS PERSONNEL. ALSO, THE COMMITTEE MEMBER IMPLIED THAT TECHNICAL ASSISTANCE OFFERED BY A

US FIRM IN THE CREATION OF AN OVERHAUL FACILITY AND IN THE TRAINING OF PERSONNEL WOULD BE OF GREAT INTEREST BUT WOULD PROBABLY BE LIMITED TO EXACTLY THAT, INASMUCH AS IT IS IN THE GOVT'S INTEREST TO HAVE THE OVERHAUL FACILITY ENTIRELY IN VENEZUELAN HANDS. NEVERTHELESS, HE STATED THAT A FORMULA SATISFACTORY TO BOTH SIDES COULD BE FOUND.

5. MARKET INVESTIGATIONS MADE REVEALED THAT THE VENEZUELAN DOMESTIC MARKET, PLUS THE CARIBBEAN AREA AND THE ANDEAN BLOC COUNTRIES WOULD PROVIDE SUFFICIENT VOLUME IN AIRFRAME WORK AND ENGINE OVERHAUL TO SUPPORT A LARGE OVERHAUL PLANT.

6. THE COMMITTEE MEMBER, WHO IS OPERATION VICE PRESIDENT OF AN AIRLINE, FEELS THAT THE ATTEMPTS BY THE COMMITTEE TO CONTROL THE DEVELOPMENT OF SUCH AN INDUSTRY WILL PROBABLY BE OVERCOME BY THE DYNAMICS OF THE AVIATION INDUSTRY, OF WHICH MOST COMMITTEE MEMBERS ARE IGNORANT.

HE FEARS THAT, AT LEAST INITIALLY, THE COMMITTEE WOULD BE MORE A HINDRANCE TO PRIVATE ENTERPRISE PROJECTS THAN A HELP, BUT IS HOPEFUL THAT BECAUSE THE PRESIDENT OF VENEZUELA HAS PUBLICLY ANNOUNCED THAT VENEZUELA WILL HAVE AN AERONAUTICAL INDUSTRY, THE COMMITTEE WILL QUICKLY CONVERT ITSELF TO A FACILITY PAVING THE WAY FOR PRIVATE INITIATIVE.

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